

***Session 5: Non-Traditional Dimensions of
Energy Security (I)***

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**Energy Development In The New Multifaceted Security Equation:
The Caspian Sea Region**

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Dr Hedjazi explained that energy security needs to be viewed in the context of networks of emerging threats and insecurities because a network-based security reading provides an interdisciplinary approach to emerging threats and vulnerabilities, while connecting one debate such as energy security with analytical elements of other disciplines such as environmental and societal security.

Whether dealing with malevolent threats such as terrorism or energy insecurities, the common characteristic lies in their dispersed nature and the fact that they can be encouraged and amplified based on distinct and sometimes colliding rationales and motivations across the network. For instance in the case of climate change, factors such as social, economic and environmental determinants dictate a consumer's choice of energy use which in return impacts the demand for energy.

These individual behaviours are interrelated and translational and constitute an informal web capable of inducing global scale phenomena such as climate change or demand-based scarcity of natural resources with uneven impacts across the world. Induced by various dispersed factors, the threat to energy security cannot be addressed and its impacts mitigated simply based on a unique policy model which could modify the behaviour of only one node of the network.

Therefore, the scale of global trade of energy grows substantially as world markets become more integrated, and thus interdependence is an intrinsic element of energy security.

Furthermore, regions that depend on imports to meet a significant part of their oil needs will become even more dependent on imports over the projection period.

For instance, in the future, it is projected that oil dependence in Europe will rise from 53 per cent to 79 per cent. In the Organisation for Economic Co-operation and Development (OECD) countries, it is expected to rise from a high of 89 per cent to over 92 per cent. China, which became a net importer of oil products only in 1993, is projected to import more than three-

quarters of it needs, over eight millions of barrels per day (mb/d) by 2020. All other regions remain net importers.

Meanwhile, the Middle East, which is the biggest exporting region, will see exports rise from 17 mb/d in 1997 to over 41 mb/d by 2020.

The interaction between the geopolitics of energy with the fundamentals of the market

Supply-induced scarcity, or its anticipation, provoke power projection by militarily capable and import-dependent nations (US, E.U., Russia, China) aiming to get control over stocks by either internally engineered regime changes or by conquests of territory. A major power that manages to get control over conditions of access by third parties to the stocks has the option to induce scarcity for selected outsiders. Collusion of some states against one producer or a group of producer creates new barriers for third parties to project their power.

The Caspian Sea

It was noted that the Caspian littoral states have often been heralded as holding together one of the world's largest oil and gas reserves. According to the Statistical Review of World Energy (British Petroleum 2002), the total proven oil reserves is 15.5 billion barrels (bbl) and the total proven gas reserves are 196 trillion cubic feet (tcf). While, the combined Caspian output will never rival that of Saudi Arabia or Russia which produce 8.8 million and 7.1 mbd respectively, the resulting competition for resources has led to the axial regionalism of the Caspian Sea Oil, where the various pipelines are sponsored and endorsed by a mixture of regional and external states.

Consequently, energy security has failed in providing state, societal and environmental security. This is largely because the post – Soviet Caspian region was not divided into stable and agreed-upon zones of influence, and thus extra regional states and non-state actors have projected their power and influence into the region.